

TASK FORCE  
SECURE EQUIPMENT ACQUISITION POLICY  
MEETING AGENDA  
3 NOVEMBER 1981

- Discussion of meeting with NSA

- Papers:

STAT  Procurement of Foreign Source ADPE  
by  (distributed)

STAT

Procedures to be Utilized in Procurements involving  
Foreign ADP by  (distribute at meeting)

STAT

NSA Contract Clauses Restricting Off-shore Procurement  
(distribute at meeting)

Keynote Address - Computer Security Initiative - by Inman  
(distributed)

Address by Lincoln Faurer (distributed)

Secure Acquisition of Agency ADP Systems by   
(distributed)

STAT

Questions (to be distributed)

- Other Inputs from Task Force members
- Other actions or inputs considered necessary prior to wrap-up.
- Team to complete:

Final Paper

HR

Policy Statement

Organizational changes

"FOREIGN SOURCE SUPPLIES AND SERVICES"

It is the desire of the Government under this solicitation to procure only domestic equipment and/or services. Accordingly, you should indicate the location of manufacturer of assembly or of development of any product or component parts of products which are submitted for consideration under this solicitation. If this solicitation requires the performance of services, you are required to advise and disclose the nationality and citizenship of all individuals who might be called upon to perform such services, and information regarding location of incorporation of your business and the degree of any foreign interest as required by Form \_\_\_\_\_. The Government reserves the right to select either equipment or services in complying with the above desires when necessary for the accomplishment of the purposes of this solicitation. Such a decision is solely within the discretion of the Government. You may elect to offer equipment or services in complying with the provisions of paragraph 1 in the event that the U.S. Government determines to relax the domestic purchase requirement. When submitting such a proposal, you should identify the extent to which the product or services to be performed do not conform to paragraph 1 above.

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f. If the option is exercised and the period of performance of the contract is extended; then, data items applicable to the extended period of production shall be delivered. The cost of the data items associated with the extended period of performance shall be included in the unit prices of option items.

g. The option prices shall be equal to or less than initial award prices for at least 90 days after the date of the award document (ADAD).

### H.3 CONTROL OF COMMUNICATIONS SECURITY (COMSEC) MATERIAL

The accountable COMSEC material produced under the contract, or provided as Government Furnished Property, will be distributed through COMSEC distribution channels. The contractor shall establish a COMSEC account, nominate a custodian and alternate custodian and control the material in accordance with procedures specified in the "COMSEC Supplement to the Industrial Security Manual for Safeguarding Information", dated April 1975. Existing COMSEC accounts established as a result of previous or other contracts may be used.

### H.4 OFFSHORE PROCUREMENT OF COMSEC EQUIPMENT

No subcontracts or purchase orders which involve design, manufacture, production, assembly or test in a location not in the United States, of equipment, assemblies, accessories or parts which are not covered by a specification or a standard listed in MIL-P-11268, MIL-E-16400, or MIL-E-5400 shall be made under this contract without specific approval of the Contracting Officer. The contractor further agrees to include this clause in any and all subcontracts he may let pursuant to this contract for equipment, assemblies, accessories or parts.

#### NOTE

1. Requests for permission to deviate from the foregoing clause will be handled on a case-by-case basis through the Contracting Officer. The Contracting Officer shall take into account all issues concerning security, quality control, political sensitivity, and necessity for the particular offshore procurement under consideration and each of these issues shall be resolved in the best interest of the Government prior to approval of any deviation from the foregoing clause.

2. Examples of equipment, assemblies, accessories or parts which are not covered by a specification or a standard listed in MIL-P-11268, MIL-E-16400, or MIL-E-5400 are listed below (the list is not exhaustive):

- a. Custom LSI devices;
- b. Devices described by a drawing with an ONXXXXXX identification; and
- c. Custom hybrid devices.

These devices cannot be procured from an offshore location without express written permission from the Contracting Officer.

L.6 Suggested Sources of Supply: Suggested sources of supply shown on the Government drawings are intended for information only as an aid to prospective offerors. The Government is not responsible for its completeness or accuracy. The Government has no agreement with, or commitment from, the listed vendors concerning continued availability of parts. The Government does not intend to imply that these vendors possess any special qualification, or that they will supply parts which meet the applicable contract requirements.

L.7 Offshore Procurement Clause (See Paragraph H.4)

All offerors should note the Offshore Procurement Clause in Section H.4. Requests for permission to deviate from the requirement will be handled on a case-by-case basis through the CO. When considering whether to seek approval for procurement of active and passive electronic component devices (excluding custom LSI) from an offshore site, the contractor should be aware that the Government will impose the following conditions as a minimum:

a. It will be necessary to insure that all screening and qualification requirements listed in the equipment PSs are met.

STAT b. [ ] Code Identification, and whatever [ ] marking is required will be performed by the prime contractor at an "in-country" facility.

STAT c. Purchase orders and drawings provided to the offshore vendor will not carry [ ] identification nor will they reveal the prime contract number.

d. The contractor will be required to perform source inspection in accordance with MIL-STD-105, normal level number at 0.4% acceptance quantity level and an approved destructive physical analysis with a Limited Total Percent Defective (LTPD) of ten. Subcontractors will not be allowed to perform these tests. No deviations will be granted for any offshore procurement of custom LSI devices.